Leadership Preferences of the Millennial Generation

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As more graduates enter the workforce, organizations must be able to manage and attract younger workers, particularly Millennial employees, those born between 1982 and 2004. Further, firms recognize the importance of the role of the leader in maintaining worker organizational commitment and thus increasing employee retention. Through survey data collected from students at a public university in Southeast Texas, this paper examines Millennial leadership preferences. We found that Millennials value leaders who provide coaching, caring, and information as well as participation in decision-making and fairness. Despite previous conclusions, this study finds that Millennials are not so different from previous generations.

INTRODUCTION

With the impending retirement of employees in the Baby Boomer generation, organizations must become increasingly able to attract and retain younger workers, particularly Millennial employees, those born between 1982 and 2004. In the U.S. alone there are an estimated 80 to 92 million Millennials, nearly 20 percent more than those in the Baby Boomer generation (Alsop, 2008; Solomon, 2015). Moreover, the percentage of Millennials in the workforce is likely to grow as Baby Boomers begin to retire. By 2020, approximately one-half of the U.S. workforce will be Millennials (Brack, 2014), and by 2025, Millennials will represent 75 percent of the global workforce (Schwabel, 2012).

In addition, the role of the leader has become critical in retaining workers and maintaining commitment. In Buckingham and Coffman’s study (1999, p. 25) based on over 25 years of research by the Gallup organization, the authors concluded that “talented employees need great managers.” While employees may be initially attracted to an organization based on its CEO’s vision or a generous compensation package, an employee’s decision to stay with a company is largely dependent on the relationship with his or her immediate supervisor. However, extant research on the Millennial generation suggests that organizational commitment and loyalty to their employers are not valued as highly by younger employees as they were by prior generations, evidenced by higher turnover rates (Khalid, Nor, Ismail & Razali, 2013). Employers facing a difficult problem in attracting and retaining qualified employees must consider the importance of its managers’ leadership skills to maintain a competitive advantage in the workforce.

While there are numerous studies on what Millennials value in the workplace (e.g., Virgin Pulse, 2015), few studies examine the leadership qualities most appealing to this generation. For example, Chou (2012) suggested that because Millennials will readily express their opinions and ideas, they will prefer an open dialog and a high level of communication with their leaders; however, no empirical evidence was
provided to support this conclusion. Similarly, Andert (2011) compared leadership needs of the three generations that predominate the workforce, Baby Boomers, Generation Xers, and Millennials, and concluded that Millennials would prefer a decentralized model in which employees assume non-designated roles of both leaders and followers rather than traditional, top-down management. Michalek and Long (2013) surveyed 64 Millennials whose responses suggested that their leaders should be dedicated, good listeners and focused, while dependability and reliability were less important characteristics. Graybill (2014) rank-ordered 27 leadership statements rated by Millennial library workers with the following five statements being most important: considering the impact of decisions on employees, working well with others, communicating expectations, treating employees with respect, and recognizing that there is more than one way to do a job.

This paper contributes to the existing literature by empirically examining the leadership preferences of Millennials using well-established leadership styles and their measures. Through survey data collected from students at a public university in the Southeast, this study identifies the leadership characteristics that appear to be most important to Millennials and compares them with non-Millennial respondents, finding no significant differences between the two groups. A discussion and implications of the findings conclude the paper.

**IMPACT OF THE MILLENNIAL GENERATION**

Researchers generally refer to individuals born between 1982 and 2004 as the Millennial Generation or Generation Y. What sets this generation apart from Generation X, Baby Boomers, and Traditionalists, is that those born after 1982 have been exposed to advances in technology since birth, with the emphasis on the expansion of instant communication through cellphones and social networking. According to an early study, Millennials began using computers between the ages of 5 and 8, 72% of them reported that they check e-mail at least once a day, and 78% browse the Web for fun (Jones & Madden, 2002). The Millennial generation continues to be shaped by the technological advances present during their childhood and throughout adulthood and they are known for their ability to multitask and utilize many technological devices simultaneously. This is a marked difference from Baby Boomers and even Generation X (Gibson & Sodeman, 2014). Technology dominates their socialization and means of communication, with their preferring texting over face-to-face conversations. In addition, technology is important to Millennials in their jobs, with 80% reporting that technology helps them get their work done quickly and 67% saying it helps them respond quickly to work-related communications (Virgin Pulse, 2015).

In terms of Millennials as employees, reports indicate that work-life balance is a high priority (Twenge, 2010). They value their leisure time, preferring more vacation and time off than pay. More than one-third (37%) of Millennial workers said that they would take a pay cut if it meant more flexibility on the job (Schwabel, 2011). Flexibility not only enhances their ability to make their personal life a priority, but it also motivates these workers to be more productive, because they feel like they are respected and that management cares about them. Since more than half of those in the Millennial generation have graduated from college, it is likely that they will be able to negotiate flexible hours and demand work-life balance during their careers (McDonald & Hite, 2008).

In addition, Millennials also expect meaningful work and opportunities to advance. They will not be satisfied with unchallenging work (Lancaster & Stillman, 2002). They want more than a paycheck and seek personal fulfillment with a company whose values match their own (Hershatter & Epstein, 2010). They also value professional growth which entails challenging assignments and promotions. Millennials place a high degree of importance on personal satisfaction and are primarily driven by individual needs and desires (Twenge, 2006). In studies of job satisfaction, despite Millennials’ high expectations regarding their work environment and mobility, researchers have found that they are somewhat more satisfied with their jobs and have higher optimism about their career development than previous generations (Kowske, Rasch, & Wiley, 2010).
Millennials also value the social aspect of their work environment. They expect to form friendships with their co-workers and want to work in a “fun” environment (Hershatter & Epstein, 2010). They also want to collaborate and learn from their colleagues and managers and expect strong relationships with their supervisors with frequent feedback and encouragement (Myers & Sadaghiani, 2010). Manager quality was found to be one of the most important motivational factors for this group (Corporate Leadership Council, 2005). Similarly, Gursoy and his colleagues (Gursoy, Maier, & Chi, 2008, p. 453) found that Millennials “tend to work best when there is personal contact, strong leadership, and direction.”

At the same time, they anticipate that their opinions and ideas will be heard and respected and prefer open and frequent communication in the workplace. They are accustomed to talking openly and frankly with adults and thus will expect to discuss issues with their managers normally reserved for more senior employees (Martin, 2005). As young adults, they were encouraged to express their thoughts and opinions and to challenge authority if they believed they were justified (Howe & Strauss, 2000). Their love of technology also includes love of instant and constant communication. They respond quickly to communications from others and expect the same in return (Oblinger & Oblinger, 2005). Further, after years of collaborating in groups at school, in team sports, through peer networks, and other programmed activities, Millennials are able to work with other people more effectively than previous generations (Sweeney, 2006). Accordingly, researchers have suggested that Millennials should work well in team settings (Myers & Sadaghiani, 2010).

Unlike prior generations, Millennials do not have the same sense of organizational commitment and loyalty. They do not enter the workforce with the mindset of their first job as their career. They are much more likely to change jobs during their careers even if it does not mean better pay or advancement (Lyons, Schweitzer, Ng, & Kuron, 2012). Further, if they feel unchallenged or underappreciated, they will not think twice about leaving a job even if they do not have another job offer (Alsop, 2008). This difference among generations may be well-explained by the experiences of their Baby Boomer parents who worked long hours only to be laid off during periods of downsizing (Loughlin & Barling, 2001).

Based on the current research regarding Millennial preferences, the leadership qualities needed to attract and retain a qualified workforce of Millennials include the following:

**Inclusiveness**

Millennials are accustomed to having a voice in decisions that affect them. Moreover, they prefer open and frequent communications in the work place. In a survey of Millennials at public relations agencies, the most frequent complaint was the inability to participate in decision-making and their lack of influence because of their age (Gallicano, Curtin, & Matthews, 2012). Thus, a participative leadership style is an essential characteristic in leaders preferred by Millennials. Participative leadership has been the subject of a number of studies and has been found to influence a number of positive outcomes including increased subordinate motivation, increased organization commitment, and reduced turnover (Locke & Latham, 1990; Spector, 1986; Yammarino & Naughton, 1992). Chou (2012) suggested that Millennials will be exemplary followers because of their willingness to express their thoughts and ideas freely and to question their managers’ decisions. Given that Millennials tend to have lower organizational commitment than prior generations and are willing to change jobs if their career expectations are not met, a participative leadership style is critical to maintaining good relationships in the work environment.

**Communication and Feedback**

Because Millennials have become accustomed to immediate access to information, they expect frequent and open communication with their managers (Dulin, 2008). The effective leader must be sensitive to both sharing information, making disclosures, and seeking input. Millennials will not be satisfied with organizational policies that exclude them from knowing the company’s mission, goals, and strategy. They will expect to be informed of any changes that will affect them and also will have an opinion about those changes. Given their intense reliance on technology, Millennials will not expect messages to come through formal channels previously used for organizational communication, but instead
will anticipate more frequent and meaningful information through instant messaging and even Facebook. Researchers have suggested that by developing strong relationships with subordinates, supervisors can strengthen organization commitment and minimize Millennials’ expected high rate of turnover (Myers & Sadaghiani, 2010). Further, if managers communicate an understanding of Millennials’ values and motivations and can provide them with a plan for achieving their goals, they will develop a more engaged workforce (Martson, 2009).

In addition, to be effective leaders, managers of Millennials must give their subordinates feedback, often and early. In general, subordinates experience more job satisfaction when job performance is evaluated often and there is a climate supporting two-way communication (Myers & Sadaghiani, 2010). This is especially important for Millennials who have a strong need for affirmation and support as well as a high need for achievement (Sweeney, 2006). Millennials expect communication with supervisors to be not only more frequent but more positive and affirming than expected by previous generations (Gursoy et al., 2008; Hill, 2002), and they will anticipate frequent short-term rewards rather than waiting until the year-end performance evaluation (Gilbert, 2011). Failure to provide clarity in providing instructions or to provide the appropriate recognition of accomplishments is often a source of stress for Millennials (Gallicano et al., 2012). Employees should be complimented and praised for their exceptional work. In fact, failure to do so could unintentionally discourage employees from performing exceptional work in the future, which Carbonara (2013) calls extinction, albeit unintentional, based on contingent reinforcement theory. However, leaders should be careful when feedback is not entirely favorable. Millennials are accustomed to receiving support and encouragement from parents, teachers, and coaches, and are ill-prepared to accept a poor performance review. In fact, they are uncomfortable with criticism and can become belligerent when evaluations are negative (Tyler, 2008). Carbonara (2013, p. 38) recommends offering empathy and understanding, “correcting with love,” as well offering a roadmap for improvement. In addition, Millennials want clear direction from their superiors, so offering feedback is an opportunity to clarify expectations.

Concern for Others

Dulin’s (2008) research of Millennials suggest five leadership facets that are deemed most important: competence, interpersonal relations, management of others, self-management, and communication. Further, Dulin (2008) noted that while Millennials are very high tech, they are also extremely relationship-oriented and expect their leaders to be mentors, problem solvers, and approachable. In a study of 56 Millennials, Michalek and Long (2013) found that Millennials described an effective leader as dedicated, focused, and a good listener, while dependability was less important. Similarly, Graybill (2014) noted that while servant leadership stood out as important for both Traditionalists and Millennials, the latter group placed stronger emphasis on relationships and the value of their relations with their leader as a motivator.

Fairness

Millennial employees are concerned with fairness and justice. Millennials are idealistic and have a strong sense that leadership should show integrity and a sense of fairness and concern for employees (Riggio, 2010). They expect fair behavior and fair treatment by management and policies and systems that treat all employees equitably. Perceptions about a leader’s attention to justice are critical to effective management of Millennials. Both fairness regarding outcomes such as pay, flexible schedules, workload, and degree of autonomy (distributive justice) and fairness regarding the process followed by leaders (procedural justice) will affect Millennials’ attitudes such as satisfaction (Greenberg, 2011), as well as behaviors, including in-role job performance and organizational citizenship behaviors (Cohen-Charash & Spector, 2001). Group perceptions of organizational justice, referred to as justice climate, have also been found to affect employee behaviors (Naumann & Bennett, 2000), such that opinions shared by Millennial employees will impact their attitudes and performance.
MILLENNIALS COMPARED WITH PREVIOUS GENERATIONS

Since Mannheim’s (1952) groundbreaking research on generational differences and later research on cohort theory (Ryder, 1965), studies have examined the differences among generations in a number of contexts including perceptions of leadership. Differences in values, attitudes, and work style preferences among generations were believed to influence how each generational cohort views leadership, resulting in different preferred leadership styles. For example, while honesty in leaders ranked high in importance for all generations, it was slightly less important for Millennials (Zemke, Raines, & Filipczak, 1999) and Gen Xers (Arsenault, 2004). Millennials were more apt prefer leaders with focus and optimism and were less concerned with a big picture orientation and cultural sensitivity (Sessa, Kabacoff, Deal, & Brown, 2007). The preference by younger generations (GenXers and Millennials) for leaders who are determined and ambitious suggest that they want their leaders to challenge the status quo and to operate as change agents (Arsenault, 2004). Further, successive generations prefer a working environment where leaders foster individual rather than organizational success and is conducive to employee fulfillment (Lyons & Kuron, 2014). Yu and Miller (2005) focused their study on Baby Boomers and Gen Xers and found that preferred leadership style varied significantly between the two generations in the manufacturing industry but there were few differences between generations in the education industry.

While some researchers question whether differences among generations are simply due to age differentials rather than cohort differences (e.g., Parry & Urwin, 2010), the literature on Millennials suggests that they may have clearly distinguishable and long-lasting leadership preferences based on their experiences and upbringing. Thus, it is hypothesized that Millennials will have stronger preferences as follows:

**Hypothesis:** As compared to prior generations, Millennials will value the following leadership qualities more than older individuals: inclusiveness, communication and feedback, caring for others, and fairness.

RESEARCH DESIGN, METHODS AND RESULTS

To assess leadership preferences, we created a survey which was based on several previously created and validated questions. Inclusion, measured by the extent to which the leader allows subordinate participation in decision-making, coaching, providing information, and caring were measured using the Empowering Leadership Questionnaire scales developed by Arnold, Arad, Rhoades, and Drasgow (2000). Because prior studies also found that Millennials valued many of the qualities defined by servant leadership, we also included questions from the Servant Leadership Questionnaire developed by Barbuto and Wheeler (2006). To the extent that items used to assess transformational leadership sub-dimensions included vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition (feedback), questions from Rafferty and Griffin’s (2004) 15-item transformational leadership questionnaire were included. Fairness was measured using Moorman’s (1991) 12-item instrument assessing procedural and distributive justice. Approximately 15% of the questions were reversed coded. Note that survey questions measuring authentic leadership were also included but ultimately not used in the analysis because their reliability statistic was less than .5. Table 1 summarizes these leadership measures and their internal reliability.

The leadership preference survey was administered to graduate and undergraduate students taking courses in the college of business at a public university in Southeast Texas through the university’s internal student research participation system. The use of student research pools as a source of participants in survey research is becoming increasingly popular (e.g., Kelly, Eldredge, Dalton, & Miller, 2014; Schatz & Ferris, 2013; Yamawaki, 2008). After the survey was internally approved by the human subjects committee, it was posted via Survey Monkey with the appropriate instructions and disclosures. During the fall 2015 and spring 2016 semesters, students in over ten graduate and undergraduate courses whose students were part of the research pool were given the choice to take one or more surveys, including this leadership survey, for credit or extra credit as determined by their instructor. A total of 384
leadership preference surveys were completed, and after eliminating incomplete surveys, there were 372 usable surveys. Of those respondents, 303 or 82% were 33 years old or younger, classifying them as Millennials, while 64 were between age 33 and 55, and five were over age 55. Fifty-nine percent were female, and 91% were business students. Over 87% had at least one year of working experience, with 48% reporting over five years’ experience, and 41% reporting having some management experience.

**TABLE 1**

<table>
<thead>
<tr>
<th>Internal Reliability of Leadership Measures</th>
<th>Cronbach Alpha</th>
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<tbody>
<tr>
<td>Empowering Leadership Questionnaire (Arnold et al., 2000)</td>
<td></td>
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<tr>
<td>Participative Decision-Making</td>
<td>.768</td>
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<tr>
<td>Coaching</td>
<td>.840</td>
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<tr>
<td>Informing</td>
<td>.749</td>
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<tr>
<td>Caring</td>
<td>.730</td>
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<tr>
<td>Servant Leadership Questionnaire (Barbuto &amp; Wheeler, 2006)</td>
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<tr>
<td>Altruistic calling and emotional healing</td>
<td>.778</td>
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<tr>
<td>Wisdom, persuasiveness and stewardship</td>
<td>.816</td>
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<tr>
<td>Transformational Leadership Questionnaire (Raffety &amp; Griffin, 2004)</td>
<td>.756</td>
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<tr>
<td>Justice Questionnaire (Moorman, 1991)</td>
<td>.879</td>
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</table>

We analyzed whether there were any significant differences in the answers regarding leadership preferences between the Millennial students and those over age 33 (Generation Xers and Baby Boomers). We followed the research design incorporated by Yu and Miller (2005) which compared two generational cohorts, classifying anyone over the age of 35 as a Baby Boomer. Since our data included only five respondents over 55, we classified all respondents over age 33 as non-Millenials. Although the size of the two groups were not equal we found no significant differences between Millennials and non-Millenials regarding sex, work experience or personality measures. One–way ANOVAs were conducted to investigate the differences between Millennials and non-Millenials regarding leadership preferences and effect sizes were calculated. Table 2 reports the means and standard deviations for each group and the effect sizes of the mean differences. Cohen’s $d$ is commonly used to measure effect size as the standardized difference between the means of two independent groups and has been used in studies of generational differences (e.g. Wong, Gardiner, Lang, & Coulon, 2008). In all models, the $F$ value was not significant, and Cohen’s $d$ was less than 0.2 which is considered small. Thus, our hypothesis was not supported.

**DISCUSSION**

Managing Millennials will present a challenge for the older generations of Generation Xers and Baby Boomers. This study explores the leadership attributes that might be most effective for Millennials and points out that the portrait of a leader for the Millennial generation is a complex, multi-dimensional paradigm. Interestingly, the responses indicated that Millennials valued their leaders’ coaching and information sharing abilities as most important. When we compared the Millennials’ responses with those of Generation Xers and Baby boomers, we found no differences in the leadership preferences based on our measures. Thus, from a management viewpoint a focus on all of the leadership preferences identified as important to Millennials would be a successful strategy for leading all employees and distinctions based on age would not be needed.
TABLE 2
DIFFERENCES BETWEEN MILLENNIALS AND NON-MILLENNIALS IN THEIR LEADERSHIP PREFERENCES

<table>
<thead>
<tr>
<th>Variable</th>
<th>Millennials</th>
<th></th>
<th>Non-Millennials</th>
<th>Mean</th>
<th>Standard</th>
<th>Mean</th>
<th>Standard</th>
<th>F</th>
<th>Cohen’s</th>
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<td></td>
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<td>Deviation</td>
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<td>Inclusiveness</td>
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<tr>
<td>Participative Decision-Making</td>
<td>3.42</td>
<td>.472</td>
<td>3.42</td>
<td>.406</td>
<td>.020</td>
<td>0</td>
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<tr>
<td>Communication &amp; Feedback</td>
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<tr>
<td>Coaching</td>
<td>3.36</td>
<td>.411</td>
<td>3.41</td>
<td>.282</td>
<td>1.110</td>
<td>-0.142</td>
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<tr>
<td>Informing</td>
<td>3.05</td>
<td>.420</td>
<td>3.04</td>
<td>.337</td>
<td>.017</td>
<td>.026</td>
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<td>Concern for Others</td>
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<tr>
<td>Caring</td>
<td>3.11</td>
<td>.407</td>
<td>3.06</td>
<td>.364</td>
<td>.829</td>
<td>.129</td>
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<tr>
<td>Altruistic Calling &amp; Emotional Healing</td>
<td>3.07</td>
<td>.553</td>
<td>2.99</td>
<td>.559</td>
<td>1.093</td>
<td>.140</td>
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<tr>
<td>Transformational Leadership</td>
<td>3.43</td>
<td>.412</td>
<td>3.48</td>
<td>.383</td>
<td>.894</td>
<td>-0.121</td>
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<tr>
<td>Wisdom, Persuasiveness &amp; Stewardship</td>
<td>3.39</td>
<td>.470</td>
<td>3.41</td>
<td>.438</td>
<td>.076</td>
<td>-0.032</td>
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<td>Fairness</td>
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<tr>
<td>Justice</td>
<td>3.44</td>
<td>.512</td>
<td>3.43</td>
<td>.455</td>
<td>.047</td>
<td>.018</td>
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Although the study makes important contributions regarding the leadership qualities most likely to attract and retain Millennial employees, it is not without limitations. Most notably, the number of observations of respondents who were not Millennials compared to those who were was fairly low. In addition, our sample consisted solely of students questioning the study’s generalizability to a non-student population. However, most students had work experience and nearly half reported having managerial experience, potentially making our findings generalizable to a broader class of employees other than students whose leadership preferences are of importance to organizations. Similarly, while the vast majority of respondents were business students, there were a number of non-business majors, which generally included computer science, health care, and science/engineering students. Finally, this paper suggests that since Millennials value certain leadership qualities, they themselves are likely to embrace behaviors consistent with those features when acting in leadership positions (Balda & Mora, 2011).

CONCLUSION

Despite all the literature on the generational differences between Millennials and older workers, generalizations cannot define all individuals in any age group. Nevertheless, as Baby Boomers indicate that they plan to continue working well past retirement age (Wisner, 2016), managers will be challenged to lead and direct employees from three distinct generations, each with different needs and expectations. In this study, Millennial students indicated that they want coaching and caring from their managers; however, older respondents also valued coaching as an essential leadership attribute. In addition, there were no significant differences among the age groups with respect to the value respondents placed on information-sharing. Thus, to the extent that previous research suggested that organizations need to adapt their management strategy to accommodate Millennial employees (Hershatter & Epstein, 2010), this study suggests that the increase in Millennial workers might not necessitate major re-adaptations of organization culture to satisfy their expectations. More emphasis on concern for employees, participative decision-making, and communication and feedback will most likely have a positive impact on both Millennials and older employees.
REFERENCES


